## (4) THE MADRAS (ADDED TERRITORY) EXTENSION OF LAWS BILL (L.A. BILL NO. 16 OF 1961).

* THE HON. SRI R. VENKATARAMAN : Mr. Chairman, Sir, I move—

'That the Madras (Added Territory) Extension of Laws Bill [a], 1961 L.A. Bill No. 16 of 1961), as passed by the Legislative Assembly, be taken into consideration.'

Certain areas have been transferred from the State of Andhra Pradesh to this State with effect from 1st April 1960, by virtue of section 45 of the Andhra Pradesh and Madras (Alteration of Boundaries) Act, 1959. The laws in force in the State of Andhra Pradesh continue to be in force in the territories transferred from that State to this State. Thus in the State of Madras there are in force two sets of laws for the levy and collection of sales tax, viz., the Andhra Pradesh General Sales Tax Act, 1957, in the transferred territories, and the Madras General Sales Act, 1959, in the rest of this State. This has resulted in certain difficulties in the administration of the two sets of laws. It is considered desirable to have a uniform law on the subject applicable to the whole State. It has accordingly been decided to extend with effect from the 1st April 1961, (so as to coincide with the commencement of the financial year 1960–61), the Madras General Sales Tax Act, 1959, as in force in the rest of this State, to the transferred territories and to repeal the corresponding law in force in these territories. The opportunity is taken to extend to the transferred territories, the Madras Sales of Motor Spirit Taxation Act, 1939 and the Madras Entertainments Tax Act, 1939, also with effect from 1st April, 1961, and to repeal the corresponding laws in force in those territories. The salient features of the Bill are the following :—

With a view to giving relief to stocks of commodities held on 31st March 1961 by dealers in the added territories and which have suffered tax under the Andhra Pradesh General Sales Tax Act, provision has been made in clause 9 of the Bill to the effect that where any goods specified in Schedule I or Schedule II or Schedule III to the Andhra Pradesh General Sales Tax Act, 1957 which are held in stock by a dealer in the added territory on the date of commencement of the Act, has suffered tax under the Andhra Act, such goods shall not be taxed again under Madras General Sales Tax Act, 1959, on its extension. The intention of the clause is that goods which are liable to single point tax or single point tax in addition to general multipoint levy under the Andhra Pradesh Act, if they have suffered tax under that Act, they should not be taxed again under the Madras General Sales Tax Act.

Provision has been made in clause 10 of the Bill requiring registered dealers in the added territories to declare stocks of goods held by them on the date of commencement of the new Act.

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[a] Printed as Appendiex IV on pages 133–136 infra.

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Failure to furnish particulars regarding stocks of goods held by a dealer is made an offence punishable with fine which may extend to Rs. 500. A time-limit of 7 days has been laid down for declaring the stocks.

Clause 11 of the Bill provides for the levy of tax at the rate specified in section 3 of the Madras Sales of Motor Spirit Taxation Act, 1939 on the stocks of motor spirit held by a retail dealer in the transferred territory at the date of commencement of the new Act because under the Andhra Act tax is levied on retail sales while under the Madras Act tax is levied only on sales by wholesalers and importers.

Clause 4 of the Bill provides for the repeal of the laws corresponding to the Madras Sales of Motor Spirit Taxation Act, 1939, the Madras Entertainment Tax Act, 1939 and the Madras General Sales Tax Act, 1959, in force in the transferred territory. clause 5makes certain saving provisions. According to sub-clause (1) of that clause the repeal of the corresponding laws shall not affect any right, privilege, obligation or liability acquired, accrued, or incurred under the repealed law, and any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation or liability, etc., may be instituted, continued or enforced as if the new legislation had not been passed.

I request that the Bill be taken into consideration.

MR. CHAIRMAN : The question is :

'That the Madras (Added Territory) Extension of Laws Bill, 1961 (L.A. Bill No. 16 of 1961), as passed by the Legislative Assembly, be taken into consideration.'

The motion was put and carried and the Bill was taken into consideration.

Clauses 2 to 12 were put and carried.

Clause 1 and the Preamble were put and carried.

THE HON. SRI R. VENKATARAMAN : Sir, I move—

'That the Madras (Added Territory) Extension of Laws Bill, 1961 (L.A. Bill No. 16 of 1961), as passed by the Legislative Assembly, be passed.'

MR. CHAIRMAN : The question is :

'That the Madras (Added Territory) Extension of Laws Bill, 1961 (L.A. Bill No. 16 of 1961), as passed by the Legislative Assembly, be passed.'

The motion was put and carried and the Bill was passed.